

March 22, 1999

**DIRECT PURCHASING BY PROSTHETIC ACTIVITIES UNDER THE
CONTRACTING OFFICERS CERTIFICATION PROGRAM (COCP)**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides guidance for direct procurement of prosthetic items and/or services under the Contracting Officers Certification Program (COCP) by Prosthetic and Sensory Aids Service (PSAS) personnel. This guidance applies to those personnel within other services, e.g., Health Administration Service, Fiscal, etc., responsible for procurement of prosthetic items and/or services.

2. BACKGROUND

a. The COCP is a formal process for the delegation of procurement authority to contracting officers. The purposes of this program are to establish a chain of contracting authority within the Department as required by Executive Order 12931 and to ensure a trained, experienced and regulated procurement workforce.

b. VA Acquisition Regulation (VAAR) Part 801.690, VA COCP, permits Heads of Contracting Activities (HCAs) to issue Level I contracting warrants to Department of Veterans Affairs (VA) employees. In accordance with VAAR 801.690, the HCAs decision to warrant anyone is discretionary and should be based on the demonstrated need of such procurement authority as well as the qualifications of the individuals. Warrants to PSAS personnel may be authorized up to \$25,000 for open market purchases and \$25,000 against established Federal Supply Schedules, decentralized contracts, and local beneficiary service contracts. The purchasing authority is limited to specific items, i.e., wheelchairs, artificial limbs, eyeglasses, orthotic devices, durable medical equipment, medical supplies, and items on local beneficiary service contracts. Appropriate accountable officer delegations are required for PSAS personnel in addition to warrants.

3. POLICY

a. The Secretary of Veterans Affairs may procure prosthetic appliances and necessary services required in the fitting, supplying and training and use of prosthetic appliances by purchase, manufacturer, contract, or in such other manner as the Secretary may determine to be proper, without regard to any other provision of law. VA is committed to improving the prosthetic services provided disabled veterans. Orders for prosthetic items required for individual beneficiaries are to be placed within 5 workdays. All VA medical centers will expedite the provision of prosthetic services.

b. The COCP will be used to warrant qualified PSAS personnel within the discretion of the HCA. Prior to issuing warrants, HCAs will provide training to Chiefs, Prosthetic and Sensory Aids Services, Prosthetic Purchasing Agents, and their next higher level supervisor, as appropriate.

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c. PSAS personnel will install appropriate safeguards at the local VA medical center to monitor acquisitions.

d. VA Central Office program officials in PSAS and the Office of Acquisition and Materiel Management (OA&MM) will monitor the training of VA field personnel and the issuance of warrants under COCP.

4. ACTION

a. Chiefs, PSAS, prosthetic staff representatives, prosthetic representative management trainees, and appropriate personnel will complete procurement training. "VA Small Purchase Procurement Procedures: Level A, Module I, Purchasing From Required Sources of Supply" is recommended for training purposes with the exception of the test. A test specifically designed for prosthetic personnel has been developed and will be administered by the HCA. When administering training, the HCA should not use a pretest as a means of excusing Prosthetic personnel from completion of the required module. All PSAS personnel involved in purchasing must complete 40 hours of basic acquisition or simplified acquisition training that can be accomplished on-the-job or in formalized courses of instruction. If on-the-job training is conducted, it must be documented for the record and include a brief description of duties and responsibilities that the training encompassed. Pre and post-test scores will be used as a measure to determine the success of the training provided.

(1) Any PSAS employee requiring a warrant, who has not completed the requisite training, may be issued an interim warrant for a period not to exceed 1 year from the date of issuance. HCAs will facilitate meeting the needs of prosthetic personnel to the greatest extent possible. The importance of uninterrupted and uniform prosthetic services to disabled veterans cannot be overemphasized.

(2) HCAs will issue warrants to PSAS personnel who have successfully completed the required training and passed the test specifically designed for PSAS personnel (see subpara. 4a). Such warrants permit purchases up to \$25,000 on the open market, against Federal Supply Schedules or decentralized contracts, and on local beneficiary service contracts. The authority should be limited to specific items, i.e., wheelchairs, artificial limbs, orthotic devices, durable medical equipment, eyeglasses, medical supplies, and items on local beneficiary contracts.

(3) HCAs should issue proper accountable officer delegations for appropriate PSAS personnel to ensure compliance with MP-2 18-25.5002.

b. VA Form 10-2421, Prosthetic Authorization for Items or Services, will be used when appropriate for direct purchases made by PSAS. Prior obligation of these purchases to an established VA Form 4-1358, Estimated Miscellaneous Obligation or Change in Obligation, is required. VA Form 4-1358 will be established on a monthly basis in accordance with VHA Manual M-2, Part IX, Chapter 3, to cover the cost of these purchases.

(1) VA Form 10-2421 may be used for both oral and written purchase orders within the guidelines established by OA&MM. The Veterans Health Information Systems Technology

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Architecture (VISTA) (National Prosthetic Patient Database) software expedites the procurement and simplifies the accounting process. The electronic placement for orders for medically necessary equipment has greatly reduced delayed orders. Delivery may be to the veteran or to the Prosthetic Service.

(2) The Office of Financial Management's (047G) TWX 934-1 dated July 12, 1993, establishes the current policy requiring invoices to be routed directly to Fiscal or Finance Officers. The Fiscal or Finance Officers may make a determination to have the invoices requiring program office certification (PSAS in this case) sent directly to the program office for processing against the appropriate VA Form 4-1358.

c. Upon receipt of the original VA Form 10-2421 and the vendor's commercial invoice indicating delivery to the veteran, or upon receipt of the item and commercial invoice in the PSAS Activity, the following action will be taken:

(1) The Chief, PSAS; Prosthetic Purchasing Agent; or next higher level supervisor will be responsible for reviewing for accuracy; completeness, acceptability of the charges, comparison of items delivered to those ordered, etc. Purchase authorization and payment approval must be separated among authorized individuals. All charges must be in agreement with the government contract covering such purchases if a contract exists. If a verbal or written purchase order is used to purchase a non-contract item, the charges must be in agreement with the amounts stated and agreed upon at the time the purchase order was initiated. If a verbal or written purchase order is issued with an estimated amount, the charges must be reasonable and may not exceed those charged the general public for like items or services. If the original estimate was within the PSAS Purchasing Agent's contracting authority, but the final price exceeds their authority, the HCA, or designee, shall be contacted for execution of the procurement by properly warranted personnel. All applicable discounts must be deducted. After this review is completed, the following administrative statement will be typed or stamped on the commercial invoice: "Payment is recommended as claimed with the following exceptions" (list exceptions). Commercial invoice will be signed and dated by authorized individual approving VA Form 10-2421.

d. Chiefs of Fiscal and OA&MM will conduct quarterly reviews to ensure that prosthetic purchasing activities are in compliance with applicable acquisition and accounting regulations. Particular attention should be given to efforts undertaken to routinely promote competition and provide equitable distribution of purchases from local contractors when in the best interest of the government. Monthly reports are required to provide information for the Federal Procurement Data System. A system to provide follow-up on delinquent orders should be in place in all prosthetic activities.

e. VHA Headquarters Monitoring Activities

(1) The Chief Consultant, PSAS Strategic Healthcare Group, in coordination with OA&MM, will monitor all training activities and warrants issued to VHA personnel under COCP to ensure uniform purchasing practices.

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(2) Any decision by the local HCA not to warrant, or to rescind a warrant for other than normal reasons, e.g., change of duty station, retirement, etc., will be reported to the Deputy Assistant Secretary for Acquisition and Materiel Management (90A) through the Network Director and Chief Consultant, Prosthetic and Sensory Aids Strategic Healthcare Group (113) within 30 days of the decision along with a complete explanation of the circumstances leading to the rescission action or non warrant action. Complete justification and documentation including Delayed Order reports and total workload statistics for the past 12 months must be submitted to support such action. These decisions will be reviewed by OA&MM and VHA program staff. HCA will be notified in writing as to the concurrence or non-concurrence of the warrant rescission.

(3) VA Central Office Program Directors of the involved services will resolve any issues which impact the prompt delivery of uniform prosthetic services throughout the VA health care system

5. REFERENCES

- a. Executive Order 12931;
- b. VAAR 801;
- c. MP-2 18-25.5002;
- d. M-2, Part IX; and
- e. Title 38 United States Code Section 5023.

6. FOLLOW-UP RESPONSIBILITY: Chief Consultant, Prosthetic and Sensory Aids Strategic Healthcare Group (113), VHA Headquarters, is responsible for the content of this Directive.

7. RESCISSIONS: VHA Directive 10-95-064 is rescinded. This VHA Directive will expire March 22, 2004.

Kenneth W. Kizer, M.D., M.P.H.
Under Secretary for Health

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